

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

PEMEX EXPLORACIÓN Y PRODUCCIÓN,	§	
	§	
<i>Plaintiff,</i>	§	
	§	
v.	§	
	§	Civil Action No. 4:11-cv-02019
BIG STAR GATHERING LTD. L.L.P.,	§	
F&M TRANSPORTATION, INC., JAMES JENSEN,	§	
JOPLIN ENERGY, LLC, F/K/A HUTCHISON	§	
HAYES ENERGY, LLC, JEFF KIRBY, PLAINS	§	Hon. Melinda Harmon
ALL-AMERICAN PIPELINE, L.P., SEMCRUDE,	§	
L.P., SAINT JAMES OIL, INC., SUPERIOR	§	
CRUDE GATHERING, INC., TRANSMONTAIGNE	§	
PARTNERS, L.P., WESTERN REFINING	§	
COMPANY, L.P.,	§	
	§	
<i>Defendants.</i>	§	

DECLARATION OF JAMES JENSEN

James Jensen gives the following declaration pursuant to 28 U.S.C. § 1746, in support of Saint James's Motion to Dismiss Pursuant to Rule 12(b)(2) and 12(b)(6):

1. My name is James Jensen. I am over the age of eighteen and I have personal knowledge of the matters testified to herein. This declaration is offered under oath and under pains and penalties of perjury.

2. I am the President of Saint James Oil, Inc. ("St. James"), a Nevada corporation engaged in the business of oil and gas exploration. Currently, all of St. James's drilling operations are in Colorado. In addition to its drilling operations, St. James also maintains passive ownership interests in oil wells located in a handful of other states.

3. St. James is a partner of Big Star Gathering Ltd, LLP ("Big Star"), a Texas partnership. The only other partner of Big Star is Saint James Energy Operating, Inc. ("St. James Operating"), which owns 1% of the company, with the remaining 99% owned by St. James. I am the Manager of Big Star.

4. St. James's headquarters are located at 11177 Eagle View Drive in Sandy, Utah, which is the address of my office. I am the sole officer of St. James.

5. All corporate functions for St. James, except for accounting and payroll, are

performed by me in my office in Sandy, Utah. Accounting and payroll is handled by a contract accountant also located in Sandy, Utah. I set the general policies of the company and make high-level decisions for St. James. However, all day-to-day decisions for the company are made by Kent Moore, St. James's Productions Superintendent. Mr. Moore, St. James's only additional employee, is located in Greeley, Colorado, near St. James's active operations.

6. In exchange for my services for St. James, I am paid a management fee by St. James's operating company. Mr. Moore's salary is also paid by St. James Operating, and he performs no services for Big Star.

7. St. James has no offices in Texas, has no employees in Texas, and has no operations in Texas. Nor does St. James own any real property in Texas. It is, however, a passive investor in three oil wells located in Frio and Duval Counties in Texas by virtue of owning royalty or non-operating working interests in these wells. Big Star has no direct or indirect ownership in these wells.

8. Big Star is a registered Texas limited liability partnership in good standing with the State of Texas. Attached as Exhibit "A" is a true and correct copy of a printout from the Secretary of State's website showing the company's current status.

9. Big Star originally filed with the State of Texas as a domestic registered limited liability partnership on October 15, 2002. The company has at all times maintained its active and current status as a registered limited liability partnership since that time with the sole exception of an inadvertent lapse in the fall of 2010, but it was reinstated within weeks. Attached as Exhibit "B" is a true and correct copy of a printout from the Secretary of State's website showing the company's status from 2002 to the fall of 2010. Because of the lapse, Big Star was told by the Secretary's office to register anew rather than submit the usual renewal form—resulting in two separate listings with the Secretary of State for the same company. Attached as Exhibit "C" is a true and correct copy of the registration application form submitted by Big Star on November 12, 2010 to reinstate its registered, "in existence" status.

10. Big Star's headquarters are located at its plant in George West, Texas. The company has no additional facilities. Big Star is a Service Company engaged in the business of purchasing crude oil at the wellhead for resale into interstate pipelines and/or directly to major refineries. These purchases and sales are the product of almost daily decisions in terms of from whom and where Big Star will buy and to whom Big Star will sell on any given day depending on the offered price.

11. In my capacity as Big Star's Manager, I participate in high-level, general policy-making decisions for the company, including to whom we sell crude oil—which is a small number of entities. However, all day-to-day operational decisions of Big Star are made by Charles Cravens, the Plant Manager, who is located at the company's George West headquarters. Specifically, Mr. Cravens decides from whom and at what location Big Star will buy, and what price it will pay, on any particular day. In general, Mr. Cravens consults me only on potential purchases involving relatively large volumes—and then, only if he can reach me in time. Big Star's accounting and crude oil payments are handled by two bookkeepers located at its George

West headquarters, and payroll is handled by an accountant located in Denver, Colorado who functions as the company's CFO, Beverly Licholat.


12. None of Big Star's employees are employed by, or perform any services for, St. James, with the exception of myself. All of Big Star's employees are paid out of Big Star. I draw a salary from Big Star for my work for this company, in addition to and separate from the management fee I receive from St. James.

13. St. James and Big Star file separate tax returns, have separate bank accounts, maintain separate accounting and payroll systems, maintain separate budgets and financial records, have separate health insurance contracts for their employees, share commercial general liability insurance but each pay a portion of the total premium, have separate offices, engage in completely different types of operations, and have separate managers making their respective daily operating decisions. The companies do not share any assets.

14. The last transaction in which Big Star engaged with Mr. Maldonado and/or Y Oil & Gas was prior to September 2009, when I understand Mr. Maldonado to have pled guilty to criminal charges.

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on August 8, 2011.


James Jensen